

ASSEMBLY BILL

No. 847

Introduced by Assembly Member Berg

February 18, 2005

An act to add Section 14598 to the Welfare and Institutions Code, relating to the elderly.

LEGISLATIVE COUNSEL'S DIGEST

AB 847, as introduced, Berg. Program for All-Inclusive Care for the Elderly.

Existing law establishes the federal Medicaid program, administered by each state, California's version of which is the Medi-Cal program. The Medi-Cal program, which is administered by the State Department of Health Services under the direction of the Director of Health Services, provides qualified low-income persons with health care services.

Existing federal law establishes the Programs of All-Inclusive Care for the Elderly (PACE), which provides specified services for older individuals so that they may continue living in the community. Federal law permits states to implement the PACE program as a Medicaid state option.

Existing state law authorizes the department to establish the California Program of All-Inclusive Care for the Elderly, and to contract with up to 10 demonstration projects to develop risk-based long-term care pilot programs, and establishes PACE program services as a covered benefit of the Medi-Cal program.

This bill would authorize the State Department of Health Services to negotiate and grant exemptions to PACE organizations from certain licensing and regulatory requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) The State Department of Health Services has established
4 the California Program for All-Inclusive Care for the Elderly
5 (PACE), to promote the development of community-based
6 capitated, health, and long-term care programs for the frail
7 elderly.
8 (b) The department, in coordination with the federal Centers
9 for Medicare and Medicaid Services, has entered into contracts
10 with PACE organizations under Chapter 8.75 (commencing with
11 Section 14590) of Part 3 of Division 9 of the Welfare and
12 Institutions Code, which require PACE organizations to meet
13 federal regulations under subchapter E (commencing with
14 Section 460) of Chapter 4 of Title 42 of the United States Code
15 of Federal Regulations, and applicable state requirements.
16 (c) PACE organizations are required by federal law and
17 regulation to provide comprehensive medical, health, and social
18 services at PACE centers, inpatient facilities, participant homes,
19 and other locations, under the direction and supervision of an
20 interdisciplinary team of physicians, nurses, and other health
21 professionals who assess participant needs, develop care plans,
22 and deliver all services which are integrated into a complete
23 health care plan. PACE organizations offer and manage all of the
24 medical, social, and rehabilitative services their participants need
25 to preserve or restore their independence, to remain in their
26 homes and communities, and to maintain their quality of life.
27 (d) In order to provide the range of services required by
28 federal and state laws, PACE organizations are subject to
29 regulations of multiple state departments and agencies, including
30 Medi-Cal managed care as well as licensing for clinic services,
31 home health services, and adult day health care services. PACE
32 organizations deliver services in participants' home
33 environments, which may include independent living
34 arrangements, congregate housing, and board and care or
35 residential care facilities.

1 (e) The state regulations that are applicable to PACE
2 organizations are in some instances conflicting and inappropriate
3 for PACE organizations or are inconsistent with federal or other
4 state requirements that are specially adapted to the PACE model
5 for providing health and care services.

6 (f) In addition, PACE organizations are required by state
7 contract to hold several licenses for the same licensed service in
8 multiple locations, requiring multiple applications and other
9 communications with the department.

10 SEC. 2. Section 14598 is added to the Welfare and
11 Institutions Code, to read:

12 14598. (a) The department may negotiate and grant to entities
13 contracting with the department under the PACE program
14 exemptions from licensing requirements that are necessary or
15 appropriate for the implementation of the PACE model and that
16 do not jeopardize the health and welfare of beneficiaries
17 receiving services under PACE.

18 (b) Any organization contracting with the department under the
19 PACE requesting an exemption applicable to two or more
20 licenses held by that organization, the organization may submit
21 to the department one request for all licenses held by that
22 organization, so long as the request lists all of the locations and
23 license number held by that organization and the requested
24 exemption is the same for all licensed locations.

25 (c) If an organization contracting with the department under the
26 PACE requests an exemption from regulations that have been
27 adopted by more than one department within the California
28 Health and Human Services Agency, the Secretary of Health and
29 Human Services shall consult with the applicable state
30 departments, and may grant exemptions from regulations that are
31 necessary or appropriate for the implementation of the PACE
32 model and do not jeopardize the health and welfare of
33 beneficiaries receiving benefits under PACE.